

First of all, let me express my admiration and respect for JUDD GREGG. He and I are good friends. We have worked together on numerous issues over the years, so I have developed a great deal of respect for him. In fact, it was JUDD GREGG and a handful of others who made it possible, 18 months ago, for us to develop the emergency economic stabilization bill. Without his leadership and support, I think our country, unarguably, and, beyond our own borders, the world would have been in much more difficult economic shape—had it not been for his leadership, along with others who pulled together that proposal that passed this body 75 to 24 on that night in late September of 2008. So my admiration for Senator GREGG—and among other accomplishments he has had during his service here—is strong.

This proposal, however, goes way beyond anything I have ever quite seen here, which basically says the Federal Government cannot provide any help to States and local governments. Then the wording of it: even if you might be in trouble.

I go back and I think of New York City, a major metropolitan area of our country, which was in economic difficulties. I do not remember the history, exactly, of what occurred that brought the city to that fiscal brink, but it was serious enough, and there was a serious debate here that occurred before I became a Member of this body over what could be done to help put that city back on its feet again.

As a result of the efforts, both in New York, New York State, as well as here, New York recovered, paid back whatever it was it received in financial assistance, and, arguably, the most important metropolitan area of our Nation survived a fiscal disaster.

Again, now, through the IMF and the World Bank, we appropriate moneys each and every year to support international organizations that have as one of their purposes—or their purpose is to provide financial assistance and stability to nations that are struggling. In many cases, I suspect they are struggling for exactly the same reason my colleague and friend from New Hampshire has identified: They made bad choices, bad decisions. I am not suggesting their problems were afflicted by outside forces, although that could happen.

Certainly what we are watching today in Europe is a classic example, where you have other nations now in trouble because of one Nation's I will even call it fiscal irresponsibility. I am not sure that is the final conclusion, but let's call it that. Yet we find the declining Euro, we find debt in trouble in that country, so other nations are feeling the effects of it.

We have all seen where events could occur in our own country: The automobile industry in Michigan ends up in deep trouble. That has an impact on other States. It certainly affects the economy of Michigan. The idea is “one

nation,” and we are one nation. We are not Europe where we have separate political structures and separate rules and regulations and one currency which pose difficulties. We are one people here, whether you live in New Hampshire or Connecticut or Arizona or Alaska or Hawaii or Texas or Oklahoma. Wherever it is, we are one people.

Lord knows, we do not want to reward irresponsible behavior on the part of a local government or a State. But the idea that we are going to terminate or not provide any kind of assistance because we have drawn the conclusion, in the wording of this amendment, as I read it in this language here:

The Board of Governors shall not, directly or indirectly, lend against, purchase—

All these things we could do here—

State government, municipal government, local government, or county government [that] has defaulted on its obligations, is at risk of defaulting, or is likely to default. . . .

Who makes that determination: “is likely to default” or “is in danger of”? Is there some omnipotent force that is going to lean over all of this and say: I think such and such a county or such and such a State is “in danger of”? That is pretty vague language here to decide, all of a sudden, regardless of the reasons.

We have excluded natural disasters. I appreciate that addition to this amendment. But there can be other factors which can contribute to these circumstances in a State.

Again, according to the language on the first page of the amendment, it says:

Notwithstanding any other provision of law, no Federal funds may be used to purchase or guarantee obligations of, issue lines of credit to or provide direct or indirect grants-and-aid to, any State. . . .

I remind my colleagues that is a pretty broad, sweeping proposal.

Medicaid; the Children's Health Insurance Fund; the CDC's disease control, research, and prevention programs; the Special Supplementary Nutrition Program for Women, Infants, and Children; the Unemployment Trust Fund; Veterans Health Administration medical services; Department of Justice, State, and local enforcement assistance; FEMA—FEMA, I guess, may be excluded because of “a natural disaster”—but the idea we would be depriving a State of these resources seems to me would only exacerbate the problem.

Again, I will acknowledge in certain circumstances local governments or State governments have made irresponsible choices. But you do not blame the entire population of that State or locality because some leadership has made a bad choice and then cut off Medicaid, nutrition assistance, and so forth. Do you blame a child living in a State because some Governor, a mayor, a county executive has made dumb decisions, and all of sudden, we say: “I am sorry, you happen to live in that State. You are going to have to

move. Go someplace else in order to get help”?

I, for the life of me, do not understand. I understand the frustration we all feel when we read about States and localities that could have made better decisions. But, again, I remind my colleagues here, we are one Nation—one Nation. “E Pluribus Unum”—they are the words right above the Presiding Officer's chair—“from the many, one.” We are many: Over 300 million in 50 States and hundreds and hundreds of jurisdictions across the country. Thank the Lord we are not just some collection of disparate entities bound together by a common currency and little else. We are bound together by much more as a nation.

So I hope my colleagues, at 12:05 or thereafter when we vote on this, would say respectfully to our friend from New Hampshire that this amendment ought to be rejected.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I admire the Senator from Connecticut and I appreciate what he has done in his efforts to stabilize the financial industry in this country. At the core of what he has done, of course, is to say: No more bailouts. That is essentially what this bill is about: No more bailouts; the taxpayers of this country will not step up and bail out large financial institutions which have taken actions which have put them at risk financially, and the only people who should bear that burden are the stockholders and the unsecured bondholders of those institutions.

What this bill also says is no bailouts, no bailouts for States which are in default or about to default on their debt. They are doing it not as a result of some external event forcing them into dire straits but because they simply spent their way into a fiscal situation where they can't pay their own debts. Why should the people of Connecticut, the people of New Hampshire have to bail out the people of California—let's be honest about this; this is about California, the people of California—because their government has been totally irresponsible in spending for a large number of years, has created a massive obligation, especially in their public pension programs, which they can't afford to pay? Why did they run up those obligations? So that people who were running for office in California could get elected. Just promise this, promise that, promise this, promise that. Then, the people in New Hampshire are supposed to pay to help those people get elected on those promises which they could never fulfill and for which they created obligations to pay for? I don't think so. I don't think that is fair or right.

If the people of New Hampshire and the people of Connecticut and the people of New Mexico have been fiscally responsible in the managing of their towns and their cities and their States